Income Tax - (Child Care/Child Tax Credit)

What is the child care/child tax income tax credit?

The child care/child tax credit is an income tax credit available to Colorado residents that have children that qualify for certain federal credits. The child care credit is available for children age 12 and under for which a federal child care credit was claimed. The child tax credit is available for children age 5 and under for which a federal child tax credit was claimed. The family home care operator child tax credit is available for children age 6 through 12 for which a federal child tax credit was claimed, but only if the child's parent(s) operate a family child care home.

The eligibility criteria and the calculation of the credit will vary significantly between tax years depending on the amount of surplus funds available in the Colorado general fund. See FYI 33 for a detailed explanation of the three methods that can be used to compute this income tax credit.

For 2006 through 2010, the credit is only available to taxpayers who claim the federal child care credit and have federal adjusted gross income of \$60,000 or less.

Note: The child tax credit and the family home care operator child tax credit are not available for tax years 2006 through 2010 because the credits were created to refund Colorado's budget surplus to Colorado's taxpayers. Colorado is not required to refund any budget surplus for these tax years.